



Resignation Calls and Ministerial Turnover in Presidential Systems

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Artwork by DALL-E, inspired by Matisse

Introduction

Introduction

Our research question is: **How do resignation calls affect cabinet reallocations and dismissals of ministers in Latin American presidential democracies?**

We use a combination of a presidential **protection policy** and a **dismissal rule**: The president protects ministers subjected to a first questioning but, because they are then contaminated, the probability of ministerial termination increases as from a second call for their resignation.

- Archival review of press reports in 12 LA countries (1976-2021), compiling a dataset on ministerial turnover and resignation calls.
- Data mining (OCR) and machine learning and then a semiparametric approach of competing risks and PS matching.

Theory and Empirical Expectations

Protection Policy and Dismissal Rule

To limit agency problems, the president could apply a combination of protection policy and a dismissal rule, borrowed from the rules modelled for parliamentary systems by Dewan and Myatt (2007, 2010; see also Berlinski et al., 2010).

The protection policy considers that ministers can be: (1) **tainted** by having been affected by a scandal or (2) have a record **clean of questioning**.

- If a tainted minister is again affected by a scandal, dismissal should be highly probable (limiting moral hazard).
- A minister with a clean record should be protected by the principal to encourage political activism (limiting agency loss).

Protection Policy Expectation

The first resignation call should serve as a warning for the minister to improve their performance rather than as an immediate threat to their position. This protection policy should have two outcomes: the retention of the questioned ministers or their reallocation to a different portfolio.

Thus, our first hypothesis is:

- **Protection Policy Hypothesis.** The first call for a minister's resignation raises the probability of reallocation, but not of individual terminations.

Dismissal Rule Expectation

If ministers whose resignation has already been called for are involved in a new scandal, the president could activate the dismissal rule.

The dismissal of a tainted minister could operate as a positive signal in the chain of delegation between voters and the president ([Dewan and Dowding, 2005](#)). In addition, dismissing tainted ministers could be a way to limit moral hazard by demonstrating that officeholders' actions are not insulated from negative consequences. Accordingly, our empirical expectation is:

- **Dismissal Rule Hypothesis.** The second and subsequent calls for a minister's resignation raise the probability of individual terminations, but not of reallocations.

Presidential Settings

Considering the literature on cabinet reshuffles and a number of institutional features of presidential systems, we focus on tainted ministers and test the dismissal rule under specific conditions (**moderation analysis**):

- Presidential Re-Election
- Presidential Leverage
- Fragmented Opposition
- Government Performance

Empirical Strategy

Cases and Data Gathering

We combined the Tesseract Optical Character Recognition (**OCR**; see [Ooms, 2021](#)) with different **semisupervised machine learning models** to distinguish between resignation calls and other mentions of cabinet members in the press. This was applied to **46 years** of **Latin American Weekly Report (LAWR) archives**.



Tesseract Optical Character Recognition



How Domingo Cavallo rose to become Menem's virtual prime minister

Argentina are still hotly debating what lay behind the sudden resignations of President Raúl Alfonsín and his replacement, Emilio González, and his replacement, Domingo Cavallo (WR-01-01). The rapid, uncontrolled uprising of the dollar rate – dismissed as suffi-

cient reason for the resignation of the then president, and much has been published about all sorts of political plots. One that seems certain is that González had several times written to Menem, the President's brother, asking him to count on his unquestioning support from the Bush administration.

This, at a time when even such highly placed members of his government, Vice-President Eduardo Duhalde and the head of the treasury, the manouevring to engineer Menem's departure from the community of the government, had been informed by the press that Menem had been ill about which of the many constitutional succession procedures would find most favour.

Many expect Cavallo to push for an agreement with the main opposition party, Raúl Alfonsín's Union for Democracy (UD), and the Justicialists (JC), in a new form of coalition that would ensure the continuity of the government, to provide over the period of transition, a smooth handover to prominent politicians and businessmen, and even US diplomats, have been exploring since late 1990. ■

INSIDE	
PERU: Weather spreads cholera epidemic. (2)	VENEZUELA: Lower prices force budget cutbacks. (2)
EQUADOR: Holiday disease impact on oil. (2)	BOLIVIA: A Soviet partner wants to extend Ayllón's mandate. (6)
COSTA RICA: Presents of \$10,000, with CHUS. (2)	CHILE: Proposal to extend Ayllón's mandate. (6)
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It was at this point, the scenario goes, that Cavallo bolted from the scene, to become a virtual unknown, shaken by a series of events he had not bargained with. He had been unable to persuade anyone to organise the share-out of key ministerial posts and even to agree with his own party that it was time to move towards his decision to pardon the military leaders of the 'dirty war' of 1976-1978. The scenario of his replacement may have been to postpone the reshuffle of the highest reaches of the government, and the resulting political destabilisation. Cavallo had several times written to Menem, the President's brother, asking him to count on his unquestioning support from the Bush administration.

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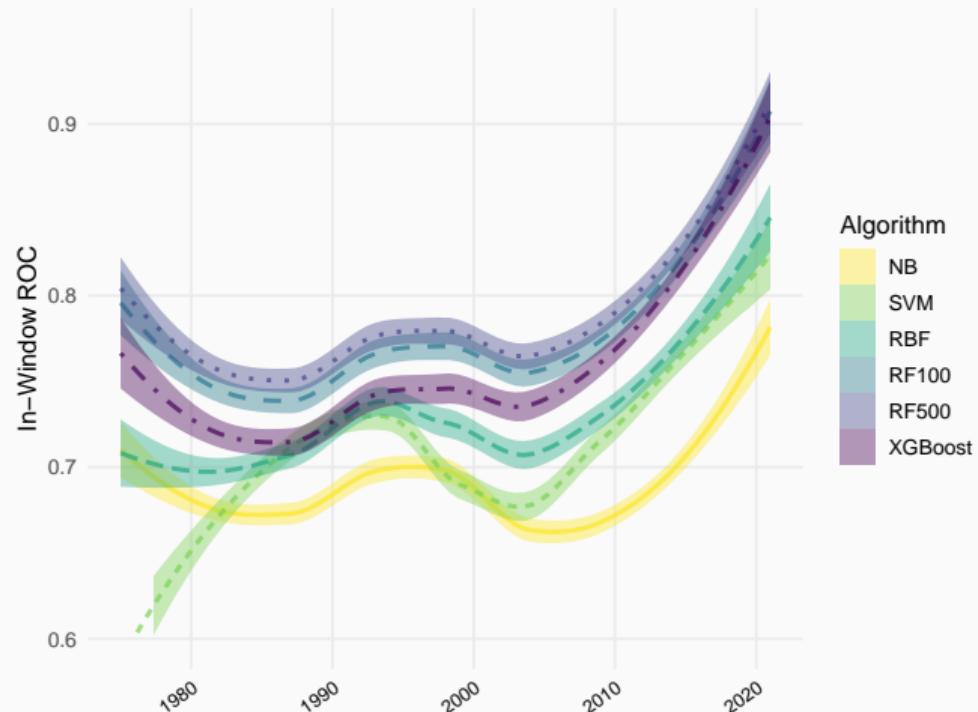
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Goodness-of-Prediction of Semisupervised Models (1975-2021)

Following Greene et al. (2019), we trained semisupervised models using a **five-year fixed rolling window** from 1975 to 2021 to train algorithms and predict resignation calls.

Random Forest classifiers with 500 trees 10-fold cross-validated.



Time-Dependent Data Encoding

The dataset was **time-dependent encoded** using monthly intervals with the (start, stop] model (Therneau et al., 2020). This allowed us to incorporate **time-varying covariates**.

We observe the time events T considering monthly intervals and k -th **competing risks** $Y_{k[i]}$ for **reallocations** ($k = 1$) and **individual ministerial terminations** ($k = 2$) by constructing the monthly intervals $Z(t) = I(t > Y_{k[i]})$.

We then used the closed interval of i -th observations (officeholders) as an endpoint in a function for multi-state survival variables obtaining an outcome dataset to control competing risks with **Fine-Gray weights** (Fine and Gray, 1999; Therneau et al., 2022).

Propensity Score and NNM

We distinguish $D_{j[i]}$ as **1st resignation call** ($j = 1$) and the **2nd or subsequent ones** ($j = 2$). Consequently, we regress $D_{j[i]}$ on a vector of covariates and potential confounders $X_{m[i]}$ that considers quadratic presidential term patterns dummies and type of ministry, using probit models.

We also incorporated country FE and Fine-Gray weights w_1 . This is our **naive propensity score estimation**:

$$D_{j[i]} = \varphi \left[\alpha + \sum_{m=1}^M \gamma_m w_{1[i]} X_{m[i]} + \zeta w_{1[i]} \text{country}_i + \varepsilon_i \right] \quad (1)$$

Then, we expanded our PS estimation by incorporating **additional confounders** to $X_{m[i]}$ to **block the backdoor path**. We favour the incorporation of covariates that can affect the presidential decision (protect/dismiss), as well as calls:

- Presidential leverage (control of the relevant Houses)
- Opposition fragmentation*
- Government fragmentation*
- Government type (single-party vs. coalition)
- Presidential re-election
- Cumulative level of resignation calls**

* probability that two randomly selected deputies belong to different parties.

** to improve precision since it could be a competing exposure rather than a confounder.

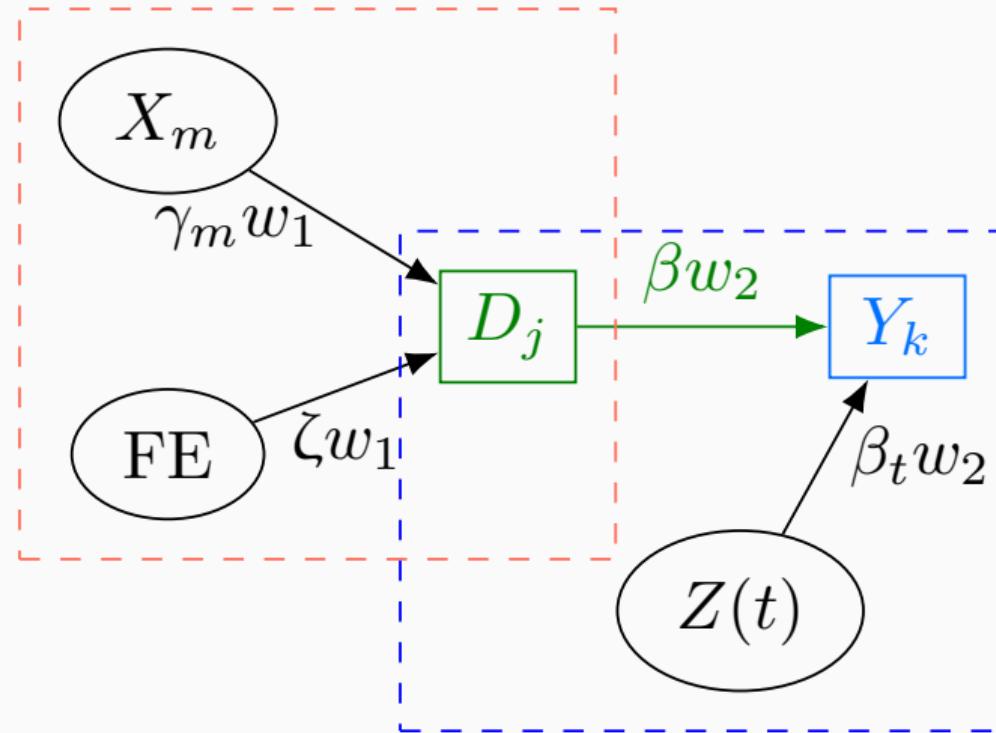
Competing Risks Models

After matching, the outcome analyses were carried out in the different matched samples with Fine-Gray subdistribution hazard models to estimate the **ATT for observational studies**, that is, the effect on ministers who received resignation calls.

The models regressed $Y_{k[i]}$, where $k = 1$ for **reallocations** and $k = 2$ for **dismissals**, on resignation calls indicators $D_{j[i]}$, using PS weights w_2 and $Z(t)$ intervals:

$$\lambda_k(t_i) = \lambda_{0[k]}(t_i) \exp \left[\beta_t w_{2[i]} Z_i(t) + \beta w_{2[i]} D_{j[i]} + \varepsilon_i \right] \quad (2)$$

Nonparametric Graphical Representation



Results

Estimating the Protection Policy

	Reallocations		Ind. Terminations	
	Model I	Model II	Model III	Model IV
First Resignation Call	2.066* (1.059)	3.567*** (1.071)	1.029*** (0.268)	1.068*** (0.366)
Matching	NNM	NNM	NNM	NNM
Estimand	ATT	ATT	ATT	ATT
Competing Risk	Ind. Term.	Ind. Term.	Realloc.	Realloc.
PS Weights	Fine-Gray	Fine-Gray	Fine-Gray	Fine-Gray
Weights Outcome	No	PS	No	PS
Control of Houses	No	PS	No	PS
Opp. Fragmentation	No	PS	No	PS
Gov. Fragmentation	No	PS	No	PS
Type of Government	No	PS	No	PS
Re-Election Permitted	No	PS	No	PS
Cumulative Gov. Calls	No	PS	No	PS
Quadratic Term Patterns	PS	PS	PS	PS
Type of Ministry	PS	PS	PS	PS
Country FE	PS	PS	PS	PS
Obs. Clustering	PS/Yes	PS/Yes	PS/Yes	PS/Yes
Log-Rank	5.353**	5.756**	15.379***	12.270***
AIC	143.040	125.661	1,116.336	1,003.857
C-Index	0.683	0.711	0.605	0.606
N	14,418	14,367	10,737	8,455
Log Likelihood	-70.520	-61.831	-557.168	-500.928

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

We reject the **Protection Policy Hypothesis** as there is no evidence to suggest that the first call alone increases the probability of a minister being repositioned.

Although we reject this hypothesis, we found (novel empirical) evidence that reallocations and individual terminations are competing risks at the early stage of public questioning.

Estimating the Dismissal Rule

Model IV with the block of confounders has an estimated ATT of 2.258. This implies the risk of a minister's removal increases more than nine-fold.

These results confirm the **Dismissal Rule Hypothesis**.

	Reallocations		Ind. Terminations	
	Model I	Model II	Model III	Model IV
Second or Subsequent Resignation Calls	1.005 (0.613)	-1.117 (1.043)	1.390*** (0.250)	2.258*** (0.249)
Matching	NNM	NNM	NNM	NNM
Estimand	ATT	ATT	ATT	ATT
Competing Risk	Ind. Term.	Ind. Term.	Realloc.	Realloc.
PS Weights	Fine-Gray	Fine-Gray	Fine-Gray	Fine-Gray
Weights Outcome	No	PS	No	PS
Control of Houses	No	PS	No	PS
Opp. Fragmentation	No	PS	No	PS
Gov. Fragmentation	No	PS	No	PS
Type of Government	No	PS	No	PS
Re-Election Permitted	No	PS	No	PS
Cumulative Gov. Calls	No	PS	No	PS
Quadratic Term Patterns	PS	PS	PS	PS
Type of Ministry	PS	PS	PS	PS
Country FE	PS	PS	PS	PS
Obs. Clustering	PS/Yes	PS/Yes	PS/Yes	PS/Yes
Log-Rank	2.978*	17.026***	35.838***	54.015***
AIC	573.545	897.601	4,488.856	4,282.437
C-Index	0.562	0.609	0.577	0.602
N	40,846	41,766	27,504	27,852
Log Likelihood	-285.773	-447.801	-2,243.428	-2,140.218

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

Moderation Analysis in Presidential Settings

	Ind. Terminations			
	Model I	Model II	Model III	Model IV
Second or Subsequent Resignation Calls	2.105*** (0.232)	2.058*** (0.278)	-0.461 (0.842)	2.034*** (0.221)
Matching Estimand	NNM ATT	NNM ATT	NNM ATT	NNM ATT
Competing Risk PS Weights	Realloc. Fine-Gray	Realloc. Fine-Gray	Realloc. Fine-Gray	Realloc. Fine-Gray
Weights Outcome	PS	PS	PS	PS
Control of Houses	PS	MOD	PS	PS
Opp. Fragmentation	PS	PS	MOD	PS
Gov. Fragmentation	PS	PS	PS	PS
Type of Government	PS	PS	PS	PS
Re-Election Permitted	MOD	PS	PS	PS
Cumulative Gov. Calls	PS	PS	PS	MOD
Quadratic Term Patterns	PS	PS	PS	PS
Type of Ministry	PS	PS	PS	PS
Country FE	PS	PS	PS	PS
Obs. Clustering	PS/Yes	PS/Yes	PS/Yes	PS/Yes
Log-Rank	61.130***	48.611***	17.929***	58.749***
AIC	4,347.741	4,308.576	6,671.682	4,359.918
C-Index	0.612	0.597	0.575	0.610
N	28,432	27,867	28,398	28,432
Log Likelihood	-2,172.870	-2,153.288	-3,334.841	-2,178.959

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

When performing a moderation analysis incorporating **opposition fragmentation** the effect is not significant ($p = 0.584$).

This suggests that the government may be more resilient to opposition pressure when this is highly fragmented and does not have a cohesive strategy.

Robustness Checks

Our robustness checks using **additional confounders**, an **alternative matching algorithm** (caliper) and a **special standard error estimator** (Austin and Cafri, 2020) show the same patterns as our main analyses.

When incorporating macroeconomic indicators, presidential approval and controlling for low levels of freedom of speech as potential confounders, the results were not altered (**low residual confounding**).

The exclusion of these **stochastic events** was made because we gave priority to the use of **resignation calls** as a noisy but empirically efficient indicator.

Discussion

Discussion: Main Results

We reject our **Protection Policy Hypothesis**. This would imply that a substitution effect moderating the behaviour of risk-exposed ministers is not generated and, at the same time, individual ministerial performance is not incentivised.

The risk of removal increases more than ninefold as from the second call and we, therefore, accept our **Dismissal Rule Hypothesis**. Although this could limit moral hazard, this higher risk of removal, together with the absence of a consistent protection policy, could increase agency loss and undermine ministerial performance.

Discussion: Moderation and Robustness Checks

We also found evidence of moderation under conditions of **fragmentation of the opposition**. Thus, when the opposition is highly fragmented and not cohesive, the effect of the second and subsequent calls for ministers' resignation on the probability of individual terminations is weaker.

Several concerns related to **residual confounding** were reviewed in the robustness checks by incorporating **macroeconomic and presidential approval indicators**. These were not included in the main analyses since it is argued that resignation calls are noisy indicators that operate as proxies for stochastic events affecting ministerial stability.

Pre Q&A Round

How are you accounting for social and cultural changes in scandals?

The 5-year rolling window between the mid-1970s until today (+40 windows) allows us to account for changes over time.

How are you controlling for cross-national variations?

Country FE were incorporated in the 1st stage of PS estimation.

What about political trajectories, ministers' backgrounds or profiles?

This paper focuses on institutional aspects. I could recommend my paper in the BJPIR focused on profiles.



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Ministerial stability during presidential approval crises: The moderating effect of ministers' attributes on dismissals in Brazil and Chile

Bastián González-Bustamante^{1,2}

Abstract

This article analyzes the effect of ministers' exposure to periods of low presidential approval in Brazil and Chile between 1970 and 2014. Approval crises were identified by fitting a dyadic-alignment algorithm and merged into a time-dependent cabinet data set to evaluate individual ministerial terminations ($N=4245$). The empirical strategy combines time-varying exposure Cox regressions with observational data and propensity score matching to estimate the effect of low approval on ministerial survival and perform a moderation analysis with three profiles associated with presidential strategies: (1) nonpartisan ministers to limit agency loss and moral hazard; (2) economists as ministers to optimize cabinet performance and send positive signals to the electorate; and (3) party leaders as ministers to optimize legislative support. The main findings show that risk increases by 135.1% in periods of low approval. In addition, approximately only one in five nonpartisan ministers is removed compared to party members.

Keywords

Brazil, cabinets, Chile, ministerial turnover, presidential approval, propensity score, survival analysis

Introduction

In May 2010, just a month after the start of Sebastián Piñera's first presidential term, Jaime Mafallich, the recently appointed health minister, was summoned to testify about an allegedly falsified alcohol test performed 7 months earlier on Piñera's brother after a traffic accident. The test took place at a private clinic where Mafallich was then general manager and Piñera was a shareholder. Regardless of public pressure, Mafallich remained

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Thank you very much!



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